

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish A Framework for Network Architecture Development of Dominant Carrier Networks.

Rulemaking 93-04-003  
(Filed April 7, 1993)

Investigation on the Commission's Own Motion into Open Access and Network Architecture Development of Dominant Carrier Networks.

Investigation 93-04-002  
(Filed April 7, 1993)  
  
(Verizon UNE Phase)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING PREHEARING CONFERENCE**

This ruling sets a prehearing conference in Rulemaking (R.) 93-04-003/Investigation (I.) 93-04-002 (commonly known as the Verizon UNE Phase of the Open Access Network Architecture Development proceeding) to discuss the scope and schedule for the final phase of this case.

Pursuant to Ordering Paragraph 4 of Decision (D.) 06-03-025, which establishes permanent unbundled network element (UNE) rates for Verizon California (Verizon), the Commission will hold further proceedings in this docket to review the amount of billing adjustments owed by interconnecting carriers to Verizon, and by Verizon to interconnecting carriers. Ordering Paragraph 4 allows Verizon 90 days in which to calculate these billing adjustments, or "true-up" amounts, and states that further proceedings will "consider payment options or other mitigations to lessen any negative effects of

the true-up." In Ordering Paragraph 5, the Commission states it will hold further proceedings to establish a procedure for reexamination of Verizon's UNE rates.

A prehearing conference is set for April 25, 2006, at 10 a.m. at the Commission Courtroom, State Office Building, 505 Van Ness Avenue in San Francisco, to initiate these proceedings. The purpose of the prehearing conference is to determine the scope and schedule for resolving true-up and reexamination issues.

Regarding the true-up, parties are encouraged to discuss mutually agreeable payment terms in advance of the prehearing conference in an effort to settle any disputes in an expedited manner with minimal Commission involvement.

Parties should come to the prehearing conference prepared to discuss the proposed scope and schedule discussed below.

### **Proposed Scope**

Issues the Commission may want to consider in this phase include:

1. Verizon's calculation of true-up amounts.
2. Whether payment of the true-up will have negative effects on the competitive local exchange market or constitute financial hardship for certain CLCs.
3. Whether the Commission should order mitigation, including but not limited to long-term payment options and interest limits, to alleviate possible negative effects of true-up payments.
4. What process should the Commission use for future reexamination or adjustment of UNE rates adopted for Verizon in D.06-03-025? This issue involves whether the Commission should:

- a) adopt the price cap proposal suggested by the California Association of Competitive Telephone Companies (CALTEL);<sup>1</sup>
- b) adopt the procedure established for SBC in D.99-11-050; or
- c) revise rates by adjusting inputs to the HM 5.3 model used in D.06-03-025.

### **Proposed Schedule**

May 25, 2006 -- Verizon files and serves true-up calculations on all parties in the Verizon UNE phase. Verizon may file its calculations along with a motion for confidential treatment of these true-up amounts since carriers may be concerned that billing information would reveal competitively sensitive information.

June 8, 2006 -- Verizon files and serves:

- a) its proposal for payment of true-up amounts, including any payment options it is offering;
- b) proposed criteria to determine if carriers are competitively harmed or undergo financial hardship due to true-up payments; and
- c) its proposal for reexamination of UNE rates.

June 8, 2006 -- CALTEL and any other parties may file and serve proposals for reexamination of UNE rates.

June 26, 2006 -- Carriers and other interested parties may respond to Verizon's and CALTEL's proposals regarding true-up payments and reexamination procedures.

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<sup>1</sup> CALTEL's proposal is set forth in its November 22, 2005 "Motion for Clarification and for Consideration of Issues Regarding Process for Future Modification of Verizon's UNE Rates."

July 10, 2006 -- Parties may file rebuttal comments.

Therefore, **IT IS RULED** that a prehearing conference is scheduled in the Verizon Unbundled Network Element Phase of Rulemaking 93-04-003 and Investigation 93-04-002 for April 25, 2006 at 10 a.m. at the Commission Courtroom, State Office Building, 505 Van Ness Avenue in San Francisco as set forth in this ruling.

Dated April 4, 2006, at San Francisco, California.

/s/ DOROTHY J. DUDA

Dorothy J. Duda  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated April 4, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.